

## Board of County Commissioners Agenda Request 19

**Date of Meeting:** January 11, 2005

**Date Submitted:** January 5, 2005

**To:** Honorable Chairman and Members of the Board  
**From:** Parwez Alam, County Administrator  
Vincent S. Long, Assistant County Administrator  
**Subject:** Adoption of a Resolution for Housing Finance Authority (HFA) to Join the Escambia County Multi-County Single Family Mortgage Revenue Bond Program, Series 2005A

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**Statement of Issue:**

This agenda item requests Board adoption of a Resolution authorizing the Escambia County Housing Authority to operate within the boundaries of Leon County (Attachment #1). This item also requests Board ratification and approval of a Housing Finance Authority (HFA) resolution and Inter-local Agreement authorizing the Escambia County Housing Finance Authority to Issue Single Family Mortgage Revenue Bonds (Attachment #2).

**Background:**

The goal of the HFA is to make available low interest rate mortgage loans with down payment assistance to qualified first-time home buyers and, if possible, to generate funds for the HFA and other housing programs. Issuing single-family mortgage revenue bonds helps the HFA reach this goal by providing low-interest mortgages to first-time home buyers and earning issuers' fees to support program administration.

The HFA adopted a Resolution on August 20, 2004, to participate in the Escambia County Finance Authority Not to Exceed \$150 million in single-family, multi-county mortgage revenue bond program and received Board approval of the program (Attachment #3). The formal Tax Equity Fiscal Responsibility Act (TEFRA) hearing was advertised and held on November 4, 2004. The minutes of this hearing are included as Attachment #4.

The HFA has participated in bond issues with Escambia eight times since 1982.

**Analysis:**

The final size of the bond issue will be determined when the amount of private activity bond allocation is confirmed to the participating counties by the State of Florida Division of Bond Finance. However, the total amount will not exceed \$150 million. The bond issue will be structured so that a home buyer may choose one of three options, depending on how much down payment and closing costs the borrower wishes to pay.

The three options for home buyers to choose from are:

- Option 1. The lowest possible interest rate. Borrower pays down payment and closing costs.
- Option 2. The next higher interest rate. Borrower does not pay the origination fee or points, but pays other associated closing costs.
- Option 3. A slightly higher interest rate. Includes the assistance in option 2, plus the loan servicer provides the borrower with an additional two points to be used for down payment and associated closing costs.

The interest rate cannot be determined until the bonds are marketed. However, in past bond issues, the rate has normally been 1% - 2% below current market rates. In the 2002 program with Escambia County, the lowest interest rate was 5.8%, fixed for thirty years. Assuming the state allocates funding similar to Series 2002, Leon County could be allocated approximately \$8 million, and 80 to 100 Leon County home buyers would receive low interest loans.

The HFA requests Board approval to proceed with the final stages by Resolution, authorizing the Escambia County Housing Finance Authority to operate within the boundaries of Leon County. The HFA also requests the Board ratify the HFA's resolution, approving the joint program between the Leon County HFA and the Escambia County HFA, and also, approve the form of the Inter-local Agreement, including the legal documents and agreements necessary to identify all the legal relationships and obligations of all parties involved.

The Board approval would be granted by adoption of the Resolution. The HFA Bond Counsel has stated that the bond issue will not impact the County's rating nor will it create any liability for the County.

**Options:**

- 1. Adopt the Resolution authorizing the Escambia County Housing Authority to operate within the boundaries of Leon County and authorize the Chairman to execute.
- 2. Ratify and approve the HFA Resolution and Inter-local Agreement.
- 3. Do not adopt the Resolution and do not ratify and approve the HFA Resolution and Inter-local Agreement.
- 4. Board direction.

**Recommendation:**

Option #1.

**Attachments:**

- 1. Resolution (Leon County)
- 2. Inter-Local Agreement between Leon County and Escambia County HFA.
- 3. HFA Resolution (Leon County HFA and Escambia County HFA)
- 4. Minutes of HFA Public TEFRA Hearing, November 4, 2004.

**The Board approved Option #1: Cancel the regular Board meeting of Tuesday, March 8, 2005.**

- Item 14 Board Consideration to not Schedule a Workshop on Issues Regarding Commission Aides  
(County Administration – Andrea Simpson)

**The Board approved Option #1: Do not schedule a workshop on issues regarding Commission Aides.**

- Item 15 Ratification of Board Actions Taken at the December 13, 2004 Annual Board Retreat  
(County Administration – Andrea Simpson)

**The Board approved Option #1: Ratify actions taken by the Board at the December 13, 2004 Annual Retreat and direct staff to submit quarterly updates on each priority and administrative issue.**

- Item 16 Request to Schedule Public Hearings on Rezoning Application Implementing Cycle 2004-2 Comprehensive Plan Future Land Use Map Amendment for Tuesday, January 25 and February 8, 2005 at 6:00 p.m.  
(County Administration/Planning – Vincent Long/Wayne Tedder)

**The Board approved Option #1: Schedule Public Hearings for Tuesday, January 25, 2005 and February 8, 2005 at 6:00 p.m.**

- Item 17 Adoption of the 2004 Update of the Local Mitigation Strategy  
(County Administration/Planning – Vincent Long/Wayne Tedder)

**The Board approved Options #1 and #2:**

- 1. Adopt the Resolution for the 2004 update of the Local Mitigation Strategy.**
- 2. Direct the Office of Management and Budget to make any additional reimbursement, received under the County's Pre-disaster Mitigation Grant, available for further amendments to the Local Mitigation Strategy.**

- Item 18 Acceptance of Florida Department of Community Affairs Grant and Approval to Sub-contract with the Capital Area Chapter of the American Red Cross  
(County Administration/Health and Human Services - Vincent Long/Joe Sharp)

**The Board approved Options #1, #2, and #3:**

- 1. Accept the Florida Department of Community Affairs Grant in the amount of \$34,685 and authorize the Chairman to execute.**
- 2. Approve the Agreement with the Capital Area Chapter of the American Red Cross and authorize the Chairman to execute.**
- 3. Adopt the Resolution and Associated Budget Amendment.**

- Item 19 Adoption of a Resolution for Housing Finance Authority (HFA) to Join the Escambia County Multi-County Single-Family Mortgage Revenue Bond Program, Series 2005A  
(County Administration/Health and Human Services – Vincent Long/Joe Sharp)

**The Board approved Option #1: Adopt the Resolution authorizing the Escambia County Housing Authority to operate within the boundaries of Leon County and authorize the Chairman to execute.**